ON COURSE TOWARD OUR TRUE NORTH

Health Quality Council 2011-2012 Annual Report

SASKATCHEWAN
HEALTH
QUALITY
COUNCIL

THE HEALTH QUALITY COUNCIL IS AN INDEPENDENT AGENCY THAT MEASURES AND REPORTS ON QUALITY OF CARE IN SASKATCHEWAN, PROMOTES IMPROVEMENT, AND ENGAGES ITS PARTNERS IN BUILDING A BETTER HEALTH SYSTEM.

CREATED IN 2002 BY AN ACT OF LEGISLATION, THE HEALTH QUALITY COUNCIL ACT, HQC IS GOVERNED BY A BOARD OF DIRECTORS COMPRISING PROVINCIAL, NATIONAL, AND INTERNATIONAL LEADERS IN QUALITY IMPROVEMENT SCIENCE, HEALTH POLICY, AND HEALTH CARE DELIVERY.

OUR VISION:
Saskatchewan residents have the highest quality of health care for everyone, every time.

OUR MISSION:
To accelerate improvement in the quality of health care throughout Saskatchewan.

OUR DEFINITION OF QUALITY:
Quality health care is care that is safe, effective, responsive, patient-centred, equitable, and efficient.

OUR WORK IS GUIDED BY THESE PRINCIPLES:

Responsiveness
In a dynamic and ever-changing environment, we respond to system needs and identify emerging opportunities to support our partners in making care better and safer.

Innovation
To achieve our mission, we must challenge the status quo, question from a base of evidence, and work with those ready to fundamentally redesign the system.

Collaboration
Partnerships among those committed to transformative change are critical. We believe open communication and collaboration nurtures relationships and produces results. We encourage full participation, different perspectives, constructive dialogue, and people building the skills to help themselves.

Focus On Improvement
The pursuit of excellence is relentless. Continuous improvement is at the core of the work we do and the way we work; this includes managing in and learning from uncertainty.

Knowledge For Action
Evidence informs and measurement drives all of our activities. We are driven to gather, synthesize, and exchange knowledge; to continually learn; and to put what we learn into practice in a way that engages our key partners.

Transparency
Transparency in processes and outcomes builds trust and respect, and is the foundation for learning and improvement.

Integrity
Our morals and character guide us to act ethically at all times in service of the public good.

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letter of transmittal

The Honourable Dustin Duncan
Minister of Health
Room 204, Legislative Building
REGINA SK S4S 0B3

Dear Mr. Duncan:

I am pleased to submit the Health Quality Council's annual report. This report is for the 2011-2012 fiscal year and is submitted in accordance with the requirements of The Health Quality Council Act and The Tabling of Documents Act.

Dr. Susan Shaw
Board Chair
Health Quality Council

message from the board chair

My clinical career as an intensivist and anesthesiologist began at Royal University Hospital in Saskatoon in 2002, the same year the Health Quality Council was established. I first heard about quality improvement during my medical training in this province. And, while doing my residency in anesthesia at the University of Saskatchewan, I had the good fortune of working with physicians who were using quality improvement (QI) methods, including measurement, to improve the quality of care for patients in the Intensive Care Unit (ICU). It was at this time that I got my first glimpse into how QI can create strong care teams focused on providing better health, better care, and better value for our patients.

Over the last ten years, I have been involved in a number of QI initiatives including the Saskatchewan ICU Collaborative, the development of Rapid Response Teams at St Paul's and Saskatoon City Hospitals in Saskatoon, and the elimination of central line associated bloodstream infections within Saskatoon Health Region's Adult ICUs. But all of my work as a physician over the last ten years, whether it be at the bedside with a patient and his or her family, teaching students from a variety of health care disciplines, or my administrative and leadership work within Saskatoon Health Region and the Saskatchewan Surgical Initiative, has benefited from learning the lessons, tools, and philosophy of continuous improvement.

I was surprised and honoured when asked to take on the role of Chair of the Health Quality Council. I see this as a tremendous opportunity to learn from a learning organization and, while my clinical work is very much in the moment, in this leadership role I can play a part in making changes to improve the health care system for everyone who works in it, and—most importantly—to improve the quality of care for Saskatchewan citizens. I have great respect and admiration for past HQC Chairs—Marlene Smadu, Dan Florizone, and Dr. Stewart MacMillan—and for past and current HQC board members, whose unwavering vision has resulted in our province being recognized internationally as a leader in QI. I was pleased to attend a ceremony at Government House in Regina in March where one of our current board members, Dan Fox, President Emeritus of the Milbank Memorial Fund in New York, received the Saskatchewan Distinguished Service Award for his service. The award recognizes non-residents of the province who have made outstanding contributions to Saskatchewan and the development of the provincial economy, culture and society.

This is an exciting time for the Health Quality Council. Never before has our province embarked on such large-scale change—the adoption of a Lean management system—to transform the quality of health care. As the health system evolves, HQC must also evolve to support providers and leaders across the province in implementing this system of continuous improvement. Our focus for the near future will be in advancing the use of measurement for quality improvement, and working with our health system partners to deliver Clinical Practice Redesign™, a key strategy for building continuous improvement into primary care and surgical practices. In addition, we are dedicated to developing innovative ways of using administrative data for QI and to sharing the best international practices in QI, from which we can all learn.

I am told that, 10 years ago, when our board members first met with health care leaders to ask how the new Health Quality Council could support them, conversations were very brief. At that time, it was hard for our partners to envision what the Council could offer and how our organizations could work together. Now, when we ask the same question of providers and leaders, we have longer, more informed and productive conversations about how HQC can best help them in their QI work. This, to me, signals that quality improvement has truly arrived in Saskatchewan. I cannot think of a better time to be working in our health system and to be Chair of the Health Quality Council.

Dr. Susan Shaw
Board Chair
Health Quality Council

message from the CEO

The Health Quality Council will be celebrating its 10th anniversary in 2012. Please indulge us as we mark the occasion in this annual report, by reflecting on our short history, how our role in the system has evolved, and what the future may hold for us.

In our first annual report (2002-2003), *Charting a course for quality health care in Saskatchewan*, then-Chair Dr. Stewart MacMillan said, "While we are still plotting our course, we have our sights squarely set on our destination: improving the quality of health care and the caring experience in Saskatchewan." Our board of directors identified the ways in which the Council would achieve this: Changing the culture; sharing successes and learning; engaging patients; partnering with managers, providers and patients toward a common purpose; basing improvement on evidence; and, organizing for results.

In our early years—through measuring and reporting on the quality of health care and by building improvement capability among health care providers—we constructively agitated those working in the health system to actively improve health care quality. Today, there is an unprecedented commitment to continuous improvement and focus on providing high-quality care throughout our health system. And, measuring for learning and improvement is seen as key: several health regions now employ measurement coordinators; HQC nimbly responds to regions' requests for more detailed analyses of data from patient experience surveying; we are collaborating with Cypress Health Region to build and populate the first regional dashboard/visibility wall of quality improvement indicators to appear on Quality Insight; and, we continue to use feedback from users to improve Quality Insight, a resource that captures the state of health care quality in Saskatchewan.

Our unwavering, ultimate aim—our True North—hasn't changed, and 10 years on we are still working closely with providers, managers, and patients to improve the quality of health care and the caring experience in our province. We have learned much from one another, and from high-performing systems elsewhere, about the best ways to improve care. And we build on that knowledge and experience each year. In 2002, we could only imagine what it would be like to have hundreds of providers, managers, and leaders applying quality improvement (QI) knowledge and skills, and what it would be like to have ready access to measures on the quality of care to inform that QI work. Today, both are a reality. This is not to say that our work is done. The Patient First Review in 2009 was a humbling experience for our health system: patients said that care needs to be more patient-centred, better coordinated, and delivered in a respectful and timely way.

Our health system took the results of this review to heart. I believe our path is now clearer than ever as together we strive to achieve mutually agreed upon, measurable targets—a common purpose—for achieving Better Care, Better Value, Better Health, and Better Teams. Our health system's desire to think and act as one holds much promise and its commitment to continuous improvement and patient- and family-centred care sets a strong foundation for achieving our collective ambitions. Our experience with the Releasing Time to Care™ program has shown us that nurses and other care providers rise to the occasion when empowered to use continuous improvement methods to enhance their ability to care for patients.

In the year ahead, the Health Quality Council will play a pivotal role in achieving the goals the health system has set, primarily by continuing to build capacity for using measurement for improvement, and in facilitating adoption of Clinical Practice Redesign™, a key strategy for building continuous improvement in surgical practices and primary health care teams and practices, to improve the care experience for patients.

I have had the privilege of working at the Health Quality Council since 2002, including the last four years as CEO. Each day I feel honoured to work with curious, passionate, and committed individuals at HQC and across the health system. If we continue to move toward True North together, we will, within the next decade, have a health system that is second to none in the world.

Bonnie Brossart
Chief Executive Officer

board of directors

Susan Shaw
(Chair)

Cecile Hunt
(Vice-Chair)

Ross Baker

Charlyn Black

Maura Davies

Daniel Fox

Eber Hampton

Don Holum

Dennis Kendel

Yvonne Shevchuk

health quality council staff

Optimize Quality Improvement Capability

We work with people who are passionate about making health care better, providing them with the tools and information to advance quality improvement in Saskatchewan. We are tenacious in promoting the value of measuring and reporting on health care quality and we are collaborating with leaders, managers, and providers to enhance their skills in using measurement to improve care for patients.

The Health Quality Council's first annual report (2002-03) outlined six values that guided its work. One of the values, *Organizing for results*, is described in this way: *Enthusiasm, training, and collaboration are not enough; quality improvement demands goal-focused systems and measurement tools to chart progress.*

In the last 10 years, our health system has evolved considerably. We have worked collectively to set improvement goals for the entire system. We have developed a greater appreciation for the important role of measurement. And, in embracing Lean as our system for continuous improvement, we are empowering those within the system to determine how best to meet our shared system goals. The hundreds of people in our health system who have developed and are putting into action quality improvement and measurement knowledge and skills are well positioned to take on this challenge of meeting these goals.

2012:
The health system's new approach to determining common goals and targets to collaboratively achieve *Better Health* for Saskatchewan citizens is inspired by the Patient First Review and builds upon the foundation laid by Quality as a Business Strategy.

January 2012:
HQC completes the fourth cycle of Releasing Time to Care™ training. In total, approximately 450 executive leads, project leads, improvement facilitators, front line care providers, and support staff are trained in the RTC methodology. They now have a strong foundation in Lean methods that will be invaluable as we adopt a continuous improvement system for health care in Saskatchewan.

There are currently 86 wards/facilities in Saskatchewan using Releasing Time to Care™, representing 2,432 beds in 11 health regions.

The collection of qualitative information is going well: staff who participated in Releasing Time to Care™ are very willing to respond to our survey questions. Quantitative data collection is nearing completion and analysis is underway.

April 2011:
The Saskatchewan Falls Collaborative is formed to support 25 teams in long-term care and home care to reach their falls reduction targets by March 2012. The Collaborative is delivered jointly by HQC, the Canadian Patient Safety Institute, and the Ministry of Health.

The teams tested and implemented 22 out of 25 strategies shown to be effective in the prevention of falls, among them accurate fall risk assessments and exercise programs. Many of the teams made progress toward reducing falls and injuries from falls. By December 2011, facilities in Sun Country, Five Hills, and Saskatoon health regions had reduced the total number of falls per 1,000 resident days by about 25%.

WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

2008-2010:
Over 200 health system leaders, representing more than 20 organizations, participate in Quality as a Business Strategy, a leadership program designed to help leaders integrate management for quality into their organizations.

As a result, health system leaders from health regions, the Saskatchewan Cancer Agency, Health Quality Council (HQC), health professional organizations, academic institutions, and the Ministry of Health begin to identify how they could work together to improve the quality of care province-wide.

October 2009:
The results of Saskatchewan's Patient First Review initiated by the Ministry of Health are released. Commissioner Tony Dagnone presented to Health Minister Don McMorris his report, which calls for changes in how health care is organized and delivered, and more importantly, how patients experience the health system.

Patient First

2008:
Two pilot sites test the UK-developed Releasing Time to Care™ program to determine its suitability for use in Saskatchewan. The results are promising, which leads to further testing in 12 new sites across the province.

May 2010:
Official launch of the province-wide rollout of Releasing Time to Care™.

July 2010:
Saskatchewan is the first in world to test Releasing Time to Care™ in long-term care facilities.

July 2010:
Researchers at the Health Quality Council and the University of Saskatchewan receive nearly $500,000 in grant funding from the Canadian Institutes of Health Research and Saskatchewan Health Research Foundation to study the effect of the Releasing Time to Care™ program on patient outcomes and on the quality of work-life for nurses. They also want to learn what factors in the ward, hospital, or health region influence the program's results. The study will be completed by March 2013.

March 2011:
The 2011-12 Strategic and Operational Directions from the Ministry of Health calls for a reduction in the number of long-term care residents who experience a fall through use of the *Safer Healthcare Now!* falls prevention initiative.

2011:
HQC continues to support QIN, which is now run collaboratively with members from health regions, Ministry of Health, HQC, and other interested parties. A primary interest of the network this year is exploring strategies on how to best engage patients and families in quality improvement work.

2011:
The selection process for the Chair in Quality Improvement Science and Interprofessional Health Education is underway.

2011:
While we don't have the capacity to continue working directly with students and faculty, HQC offers free access—from July 1, 2011 to June 30, 2013—to an excellent resource: the Institute for Healthcare Improvement's Open School, an online program that provides introductory quality improvement knowledge and skills. This offer is open to anyone living in the province, including students and faculty.

2011-12:
There are now seven Measurement Coordinators across the province who are building capacity among front line providers to do measurement for improvement.

2011-12:
In just a few short years, we see the province progress from having no systematic collection of patient experience feedback, to a point where 33 hospitals across 10 health regions receive information from the patient survey monthly at the facility level on Quality Insight (www.qualityinsight.ca).

2012:
HQC analyzes the patient experience survey data to determine what factors most impact patients' ratings of the hospital. This information is shared with health regions and is available on the HQC website.

2011:
HQC, in collaboration with health regions, implements the province's first patient experience survey in emergency departments, and releases a report on the results of the survey on November 23, 2011.

WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

2003:
The Quality Improvement Network (QIN) is established to build quality improvement capacity and to serve as a forum for exchanging successes and lessons learned. It includes representatives from health regions, Saskatchewan Cancer Agency, and HQC.

2007-2009:
We work closely with faculty and students from a variety of health disciplines to give them a foundation in quality improvement methodology.

2010:
A new position at the University of Saskatchewan—Chair in Quality Improvement Science and Interprofessional Health Education— is jointly funded by HQC, the University of Saskatchewan's College of Pharmacy and Nutrition, the Saskatchewan Health Research Foundation, and the Ministry of Health.

2010:
In response to increasing interest in how to use measurement for improvement, new Measurement Coordinator positions are created in fall 2010 and funded through a partnership between the Ministry of Health and the Saskatchewan Union of Nurses (SUN). HQC provides training and ongoing support to the coordinators as they enhance their measurement skills, so they can better support improvement work.

2004:
HQC initiates the first province-wide measurement of patients' experience of hospital care in Saskatchewan.

2008:
Accreditation Canada certifies patient experience survey data as meeting the data collection requirements of the Positive Client Experience standards in their *Qmentum* health services accreditation program.

2002-2007:
HQC releases 14 reports that help illuminate gaps in the quality of health care in Saskatchewan. They inspire several quality improvement projects aimed at improving the aspects of care identified in the reports.

February 2008:
A paper, *Disclosure of information about health care quality: Review of research and expert opinion*, is released by HQC.

2011:
HQC partners with the Saskatchewan Cancer Agency to coordinate a survey to learn more about clients' experiences with cancer care.

2011:
We are supporting the effective use of measurement for learning and improvement across Saskatchewan's health system by continually improving the provincial dashboard of quality of care indicators on Quality Insight.

Alongside leaders and managers from Cypress Health Region, we are building a regional dashboard on Quality Insight; our focus is on learning about and facilitating the use of measurement for improvement. We are documenting this experience and developing recommendations on how to spread this capability to other health regions.

December, 2011:
Cypress Health Region and HQC launch the region's dashboard on Quality Insight; this is the first regional dashboard to be published on the website. We continue to work with Cypress Health Region to build their internal capability and capacity in using measurement for learning and improvement.

February 2012:
A video blog is added to Quality Insight, featuring episodes that chronicle the collaborative efforts of HQC and Cypress Health Region to build the first regional dashboard of quality of care indicators to appear on the Quality Insight website.

May 2011:
HQC hosts a national workshop to build support for nationally standardized quality indicators and identify ideas on how to develop them. A core group of summit participants is working on "next steps" identified at the summit.

Wave 4 of the Quality Improvement Consultant Program is well underway, with 25 participants.

WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

June 2008:
HQC hosts a conference, *Transparency in health care: Measurement and reporting in the pursuit of learning and improvement*, for 200 health system leaders from Saskatchewan and across Canada.

2008-2011:
Two print editions of Quality Insight, a report on the state of quality of health care in Saskatchewan, are published.

March 2010:
The Ministry of Health launches the Saskatchewan Surgical Initiative, which aims to improve the patient experience across the complex spectrum of surgical care, from disease prevention and health promotion, to improving access to physicians and specialists, reducing wait times for diagnostic tests, surgeries, and rehabilitation therapy, to ensuring the delivery of exceptionally safe care. Improvement targets for the initiative have been set, requiring a transparent measurement system for reporting results.

This need is expressed to a provincial collaboration, the Quality Insight Working Group, which originally came together in 2008 around a common desire for better quality measurement practices to inform decision-making and support quality improvement. It comprises senior leaders, managers, and analysts from all health regions, the Saskatchewan Cancer Agency, and Ministry of Health who offer a broad set of perspectives on measurement, from data collection to performance management. Work begins on creating a website to present information on the quality of health care in Saskatchewan for the purposes of learning and improvement.

February 2011:
HQC launches the new website, www.qualityinsight.ca.

2007:
HQC begins offering an intensive nine-month program that develops a strong foundation in improvement science and methods.

Engage and Collaborate

We are strengthening our existing relationships with a broad array of health system stakeholders, and seeking out new partnerships that can contribute to accelerating improvement in the quality of health care throughout Saskatchewan. We create opportunities to build awareness, knowledge, and action to transform health care among those working in the health system, patients, family members, and the broader public.

The Health Quality Council's first annual report (2002-03) outlined six values that guided its work. One of the values, *Partnering with managers and providers*, is described in this way: *People are more open to change if they are involved in determining what that change looks like.*

We knew from the start that little could be accomplished without discussion, sharing of ideas, and setting of mutual goals, alongside those who know the health system best: the leaders, managers, and providers who work in it every day. What we are achieving together is far greater than what any of us could do alone.

February 2012:
The final report on CDMC II notes a 35% increase in the percentage of people who had their COPD diagnoses confirmed with a spirometry test, and increased use of a tool for screening, diagnosing, monitoring, and measuring the severity of depression.

2011-2012:
HQC launches an improved and expanded CPR Program that is delivered through a collaboration of HQC, the Saskatchewan Medical Association, Government of Saskatchewan, and health regions. Health regions and HQC jointly hire and train 20 CPR coaches. As of March 2012, coaches are working with 63 clinics to build capacity in continuous improvement methods. A new website, www.transformmypractice.ca assists CPR participants in tracking the effect of their improvement efforts.

2011:
We are proactively linking social media applications, website, and online learning communities based on our customers' preferences, use of these platforms, and best practices.

A new HQC blog features posts from a variety of contributors.

We're trying a new format for Health Clips. Subscribers now receive four editions a week with the latest information on QI, including items about Lean.

We share profiles of individuals and teams involved in QI initiatives in a new section on our website called *Stories from the field*.

March 6, 2012:
HQC and the Ministry of Health host a workshop for communications staff from health regions, 3S Health, HQC, and the Ministry, to learn how communicators in other health care organizations are supporting implementation of Lean. Guest speakers are Roger Gerard, Chief Learning Officer from ThedaCare in Wisconsin, and Helene Vrignon, Senior Communications Officer from St. Boniface Hospital in Winnipeg.

February 2012:
We publish a compilation of articles on Saskatchewan's quality improvement journey that appeared in Healthcare Quarterly in 2010 and 2011.

HQC staff facilitate workshops or deliver presentations at: International Forum on Quality and Safety in Healthcare in Amsterdam (April 2011); National Forum on Quality Improvement in Healthcare in Orlando (December 2011); and, 13th Annual International Summit on Improving Patient Care in the Office Practice and the Community in Washington, D.C. (March 2012).

WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

2005-2009:
First Saskatchewan Chronic Disease Management Collaborative (CDMC) improves care for people living with coronary artery disease and diabetes.

2009-2011:
CDMC II improves care for people living with depression and chronic obstructive pulmonary disease (COPD).

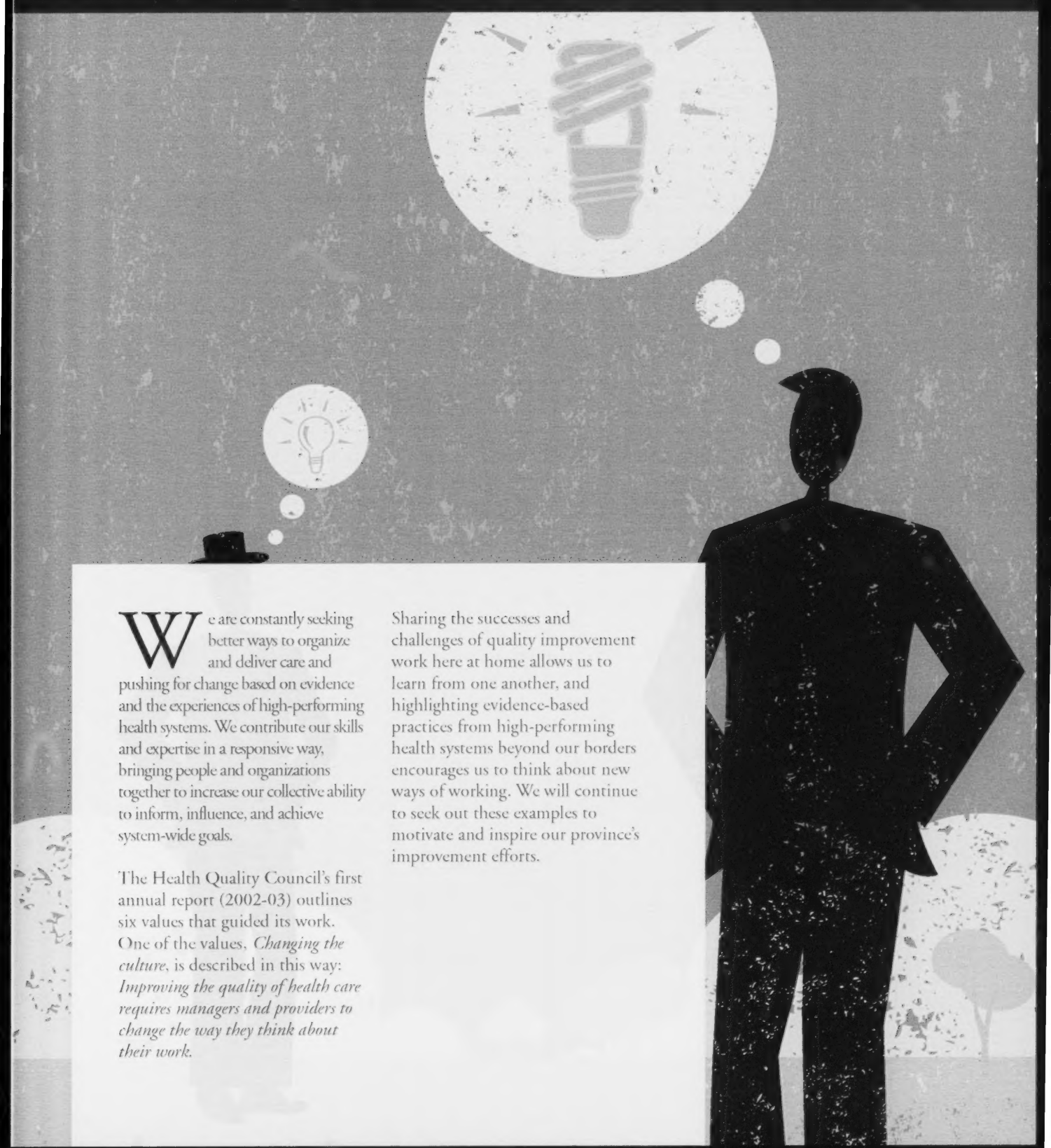
2008-2011:
Learnings from the two Chronic Disease Management Collaboratives inform the work of other initiatives, such as primary health care redesign and Clinical Practice Redesign™ (CPR). Both of these new initiatives are taking a multidisciplinary team approach to overcome common challenges and improve the entire continuum of care for Saskatchewan patients.

2008:
29 people sign up for the first Clinical Practice Redesign School.

2002-2011:
We communicate with the health system primarily in-person, via our website, and by email.

2006-2011:
Quality improvement work in Saskatchewan is increasingly being recognized by health systems elsewhere. As a result HQC and others in our health system are asked to share our learnings and experiences at a variety of national and international forums.

Motivate and Innovate



We are constantly seeking better ways to organize and deliver care and pushing for change based on evidence and the experiences of high-performing health systems. We contribute our skills and expertise in a responsive way, bringing people and organizations together to increase our collective ability to inform, influence, and achieve system-wide goals.

The Health Quality Council's first annual report (2002-03) outlines six values that guided its work. One of the values, *Changing the culture*, is described in this way: *Improving the quality of health care requires managers and providers to change the way they think about their work.*

Sharing the successes and challenges of quality improvement work here at home allows us to learn from one another, and highlighting evidence-based practices from high-performing health systems beyond our borders encourages us to think about new ways of working. We will continue to seek out these examples to motivate and inspire our province's improvement efforts.

April 20 and 21, 2011:
Six hundred and fifty people attend the inaugural provincial Health Care Quality Summit, to learn from one another and to share their improvement stories. The event features keynote speaker Maureen Bisognano, President and CEO of the Institute for Healthcare Improvement.

The second provincial Quality Summit is held in Saskatoon in April, 2012.

June 21-25, 2011:
Sixty-two people, representing all health regions, the Saskatchewan Cancer Agency, Athabasca Health Authority, All Nations Healing Hospital, HQC, and the Ministry of Health, attend the Southcentral Foundation's Nuka System of Care annual conference in Anchorage, Alaska. The conference describes the Nuka System of Care—an exemplary example of primary care—that was created and is managed and owned by Alaska Native people to achieve physical, mental, emotional, and spiritual wellness.

December 2011:
HQC again purchases a provincial license to allow viewing of all keynote presentations and, for the first time, additional access to all workshop slides.

WHERE WE ARE NOW

2002-2012

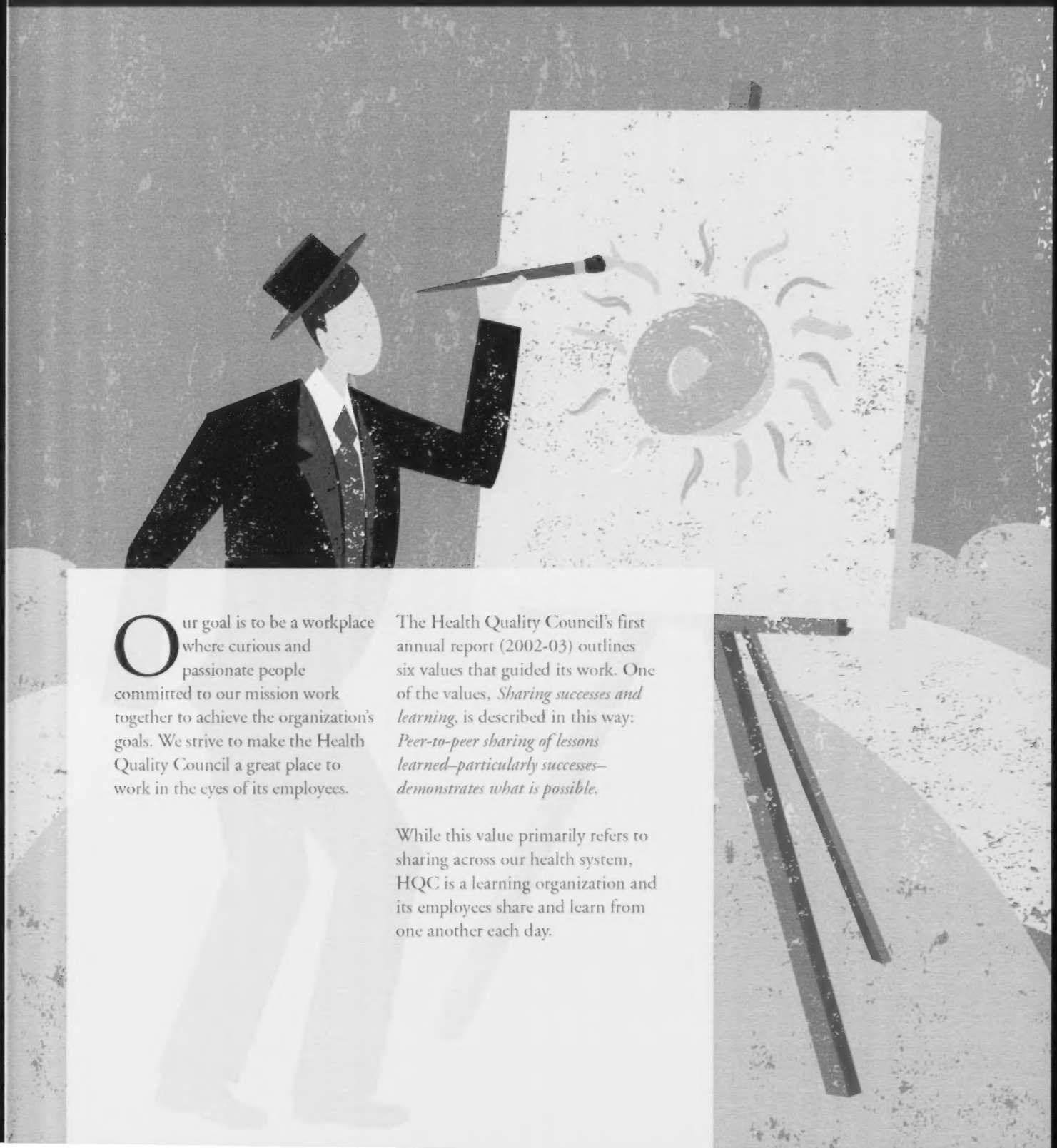
HOW WE GOT THERE

2010:
HQC, the Saskatchewan Association of Health Organizations, and the Ministry of Health jointly plan the first provincial Health Care Quality Summit, held in Regina in April, 2011.

2010:
Improving primary health care is a key element of the health system's plan to transform the surgical patient experience in Saskatchewan.

2002-2010:
HQC sponsors provincial access to a satellite broadcast or webcast of the inspiring presentations at the Institute for Healthcare Improvement's National Forum on the Quality of Healthcare.

Increase Joy in our Work



Our goal is to be a workplace where curious and passionate people committed to our mission work together to achieve the organization's goals. We strive to make the Health Quality Council a great place to work in the eyes of its employees.

The Health Quality Council's first annual report (2002-03) outlines six values that guided its work. One of the values, *Sharing successes and learning*, is described in this way: *Peer-to-peer sharing of lessons learned–particularly successes–demonstrates what is possible.*

While this value primarily refers to sharing across our health system, HQC is a learning organization and its employees share and learn from one another each day.

2011:
All employees are using HELPS—HQC's Employee Learning and Performance Management System—to identify and track their individual competencies, deliverables, and learning plan.

2011:
A small group is working to develop a consistent and effective way to welcome new staff to HQC, and to orient them to our policies and procedures.

2011:
We now have the capacity to use videoconferencing, which provides another option for communicating with our colleagues in the health system.

2011:
We are using a Lean approach to improve processes at HQC.

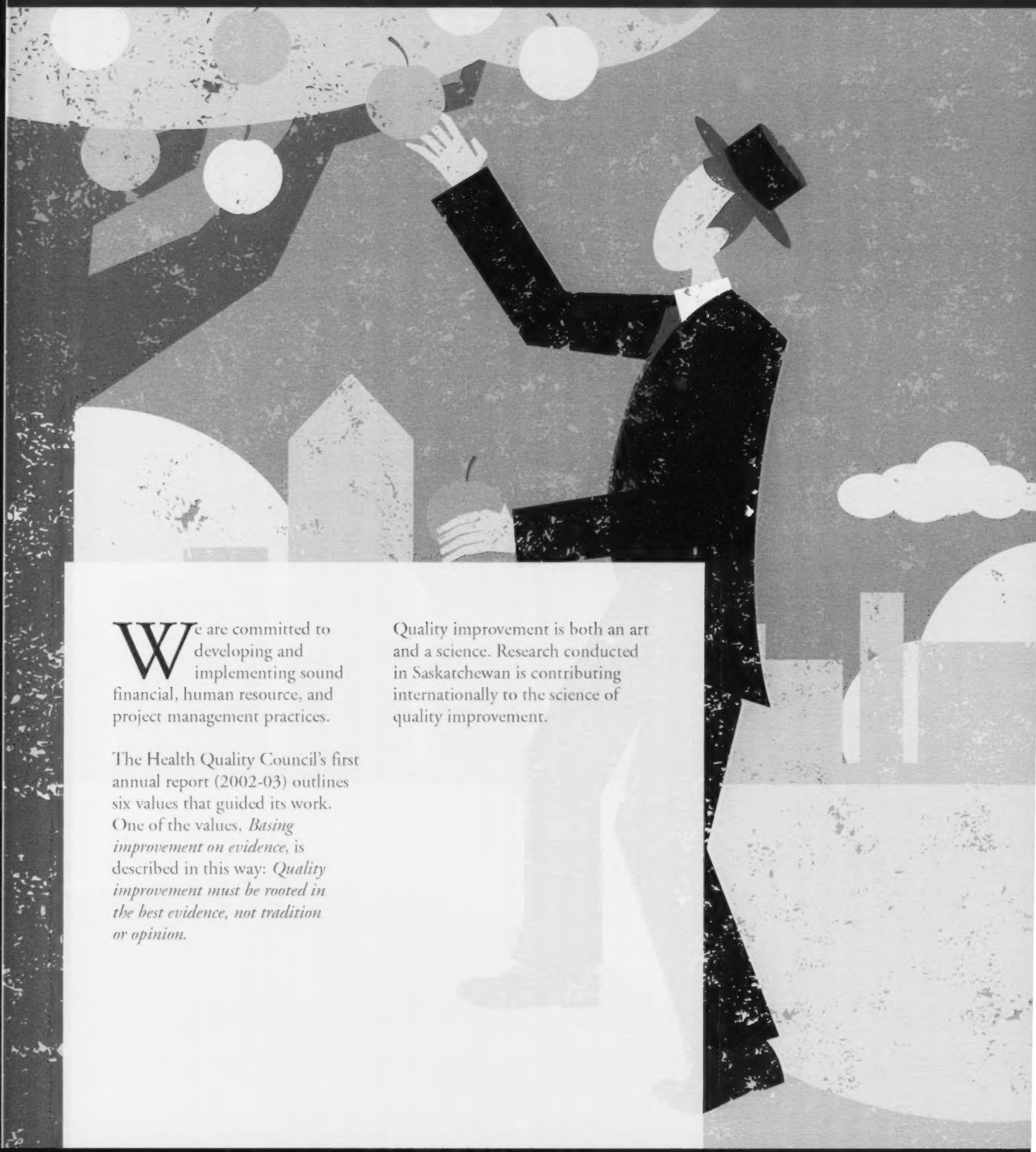
WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

2002-2010:
HQC's staff grows from a complement of 13 to 53 employees.

Stay Vital



We are committed to developing and implementing sound financial, human resource, and project management practices.

The Health Quality Council's first annual report (2002-03) outlines six values that guided its work. One of the values, *Basing improvement on evidence*, is described in this way: *Quality improvement must be rooted in the best evidence, not tradition or opinion.*

Quality improvement is both an art and a science. Research conducted in Saskatchewan is contributing internationally to the science of quality improvement.

2011-12:
Two CNODES studies are completed this year, and a third is nearing completion:

1. The relationship between high-dose statins (used to reduce cholesterol levels in the blood) and kidney function.
2. The relationship between proton-pump inhibitors (used to reduce acid in the stomach) and pneumonia.
3. The relationship between antipsychotic drugs and acute hyperglycemic emergencies among people who have diabetes.

The outcomes of the studies will be published in peer-reviewed journals.

2012:
The Health Quality Council, in collaboration with the University of Saskatchewan, is developing research methodology for studying episodes of care. This will enable the health system to better understand how episodes of care are related, track changes in the use of health services over time, and more accurately determine the cost of treating a condition.

2011-12:
Work continues on another research project that looks at rates of surgical site infection among people who have been discharged from hospital.

2011:
HQC is also working with Dr. Nazmi Sari, a Saskatchewan health economist, to determine if and how health care utilization is affected by having certified respiratory educators work with patients who live with chronic obstructive pulmonary disease.

WHERE WE ARE NOW

2002-2012

HOW WE GOT THERE

2011:
There is power in numbers. By pooling provincial results, a national network of researchers is getting a better picture of the incidence of rare and serious side effects of drugs, and the effectiveness of drugs in treating rare diseases.

Dr. Gary Teare, HQC's Director of Quality Measurement and Analysis, and adjunct scientists from the University of Saskatchewan—Lisa Lix, Associate Professor and Centennial Chair, School of Public Health; and David Blackburn, Associate Professor of Pharmacy—comprise the Saskatchewan arm of the Canadian Network for Observational Drug Effect Studies (CNODES).

It is a five-year, $17.5-million initiative funded through the Canadian Institutes of Health Research (CIHR). Saskatchewan will receive $1.6 million of the total.

Photo courtesy of University of Saskatchewan

Financials

report of management

Management is responsible for the integrity of the financial information reported by Health Quality Council (HQC). Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with Canadian generally accepted accounting principles that are consistently applied, with any exceptions specifically described in the financial statements.

The accounting system used by HQC includes an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- the assets of HQC are protected from loss and unauthorized use; and,
- the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, Board members of HQC discuss audit and financial reporting matters with representatives of management at regular meetings. HQC Board members have also reviewed and approved the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited HQC's statement of financial position, statement of operations, statement of changes in net financial assets, and statement of cash flows. Her responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's report outlines the scope of her audit and her opinion.

Dr. Susan Shaw
Board Chair

Bonnie Brossart
Chief Executive Officer

Saskatoon, Saskatchewan
July 27, 2012

auditor's report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Health Quality Council, which comprise the statement of financial position as at March 31, 2012, and the statement of operations, change in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

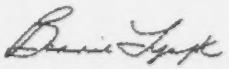
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Health Quality Council as at March 31, 2012, and the statement of operations, change in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Regina, Saskatchewan
July 27, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

statement of financial position

STATEMENT 1
HEALTH QUALITY COUNCIL

As at March 31	2012	2011
	(thousands of dollars)	
Financial assets		
Cash	$ 7,767	$ 10,534
Accounts receivable	318	134
Accrued interest receivable	3	-
Short-term investments (Note 3)	999	-
	9,087	10,668
Liabilities		
Accounts payable	728	111
Payroll liabilities	247	216
Deferred revenues (Note 5)	-	6,276
	975	6,603
Net financial assets	8,112	4,065
Non-financial assets		
Tangible capital assets (Note 2c & Note 4)	118	128
Prepaid expenses and deposits	147	114
	265	242
Accumulated surplus	$ 8,377	$ 4,307

Contractual commitments (Note 10)

(See accompanying notes to the financial statements)

statement of operations

STATEMENT 2
HEALTH QUALITY COUNCIL

For the year ended March 31	2012 Budget (Note 8)	2012 Actual	2011 Actual
		(thousands of dollars)	
Revenue			
Saskatchewan Health - General Revenue Fund			
- Operating Grant	$ 4,729	$ 5,935	$ 4,729
- Accelerating Excellence	2,778	3,122	2,536
- Patient Provider Quality Improvement	-	1,973	-
- Patient Family Centred Care	-	666	-
- Saskatchewan Medical Assoc.	400	412	-
- U of S - CIHR	120	126	-
- U of S - SHRF	29	48	-
- Drug Safety & Effectiveness Network	320	177	-
- Saskatchewan Drug Utilization & Outcome Research Team	-	47	-
- Academic Detailing Evaluation Partnership Team	-	3	-
- University of Saskatchewan	-	15	-
- Aboriginal Health Transition Fund	-	-	90
Other (Note 6)	25	179	241
Interest	-	100	28
	8,401	12,803	7,624
Expenses			
Project funding	6,522	3,100	2,385
Grants	228	144	367
Wages and benefits	4,227	4,655	3,797
Travel	312	265	268
Administrative and operating	159	155	113
Board Honoraria	135	69	88
Amortization expense	-	68	80
Rent	270	277	266
	11,853	8,733	7,364
Annual surplus (deficit)	$ (3,452)	4,070	260
Accumulated surplus, beginning of year		4,307	4,047
Accumulated surplus, end of year		$ 8,377	$ 4,307

(See accompanying notes to the financial statements)

statement of change in net assets

STATEMENT 3
HEALTH QUALITY COUNCIL

For the year ended March 31	2012	2011
	(thousands of dollars)	
Annual surplus	$ 4,070	$ 260
Acquisition of tangible capital assets	(58)	(119)
Amortization of tangible capital assets	68	80
	10	(39)
Acquisition of prepaid expense	(147)	(114)
Use of prepaid expense	114	36
	(33)	(78)
Increase in net financial assets	4,047	143
Net financial assets, beginning of year	4,065	3,922
Net financial assets, end of year	$ 8,112	$ 4,065

(See accompanying notes to the financial statements)

statement of cash flows

STATEMENT 4
HEALTH QUALITY COUNCIL

For the year ended March 31	**2012**	**2011**
	(thousands of dollars)	
Operating activities		
Cash received from		
Saskatchewan Health	$ 5,935	$ 5,729
Saskatchewan Medical Association	7	200
Regional Health Authorities	39	-
Patient & Family Centred Care (PFCC)	-	666
Patient & Provider Quality Improvement Initiative	-	2,000
Interest income	96	60
University of Saskatchewan - Canadian Institutes of Health Research	233	59
Other	35	19
	6,345	8,733
Cash paid for		
Wages and benefits	4,623	3,851
Supplies and other	450	478
Project funding	2,833	2,840
Aboriginal Health Transition Fund - Grant Funding returned	-	52
Grants	149	375
	8,055	7,596
Cash provided by (used in) operating activities	(1,710)	1,137
Capital activities		
Purchases of tangible capital assets	(58)	(120)
Cash used in capital activities	(58)	(120)
Investing activities		
Purchase of investments	(999)	-
Disposal of investments	-	-
Cash provided by investing activities	(999)	-
Increase (Decrease) in cash	(2,767)	1,017
Cash, beginning of year	10,534	9,517
Cash, end of year	$ 7,767	$ 10,534

(See accompanying notes to the financial statements)

notes to the financial statements

HEALTH QUALITY COUNCIL
March 31, 2012

1. Establishment of the Council

The *Health Quality Council Act* was given royal assent July 10, 2002 and proclaimed on November 22, 2002. The Health Quality Council (HQC) measures and reports on quality of care in Saskatchewan, promotes continuous quality improvement, and engages its partners in building a better health system. HQC commenced operations on January 1, 2003.

2. Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board (PSAB) of Canadian Institute of Chartered Accountants, HQC is classified as an other government organization. HQC uses Canadian generally accepted accounting principles applicable to public sector. The following accounting policies are considered to be significant:

a) Operations

For the operations of HQC, the primary revenue is contributions from the Saskatchewan Ministry of Health (Ministry of Health) – General Revenue Fund. Other sources of revenue include conference registrations, interest and miscellaneous revenue.

Effective April 1, 2011, HQC early adopted the PS 3410, Government Transfer standard on a prospective basis without restatement of the 2011 comparative figures.

The adoption of PS 3410 Government Transfers required that grants received by HQC be assessed to determine if they meet the requirement for deferral as a liability. If the transfers do not meet the deferral requirements, the transfer is authorized, and all eligibility criteria have been met, contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Previously, these grants had been deferred and recognized in operations as expenses were incurred. The impact to HQC as at April 1, 2011 because of this change is an increase to revenue and a decrease to deferred revenue of $6,276,000.

If the deferral requirements are met, contributions are recognized as revenue according to the transfer agreement stipulations and the Foundations actions and communication. Interest earned on deferred contributions accrues to the benefit of the deferred fund.

b) Measurement Uncertainty

The preparation of financial statements in accordance with PSAB accounting principles requires HQC's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of commitments at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Effective in fiscal 2012 HQC changed its policy only capitalizing items greater than $1,000, previously $250. Leasehold improvements are amortized over the length of the lease; the current lease expires in July 2013. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Office Furniture	10 years
Office Equipment	5 years
Computer Hardware	3 years
Computer Software	3 years
Leasehold Improvements	4 years

Normal maintenance and repairs are expensed as incurred.

3. Short-Term Investment

HQC held one investment in the amount of $999,080 as described below at March 31, 2012. HQC purchase and dispose of Investments through the Saskatchewan Ministry of Finance. The current investment is short-term, held for a period of one year or less.

	2012	
	Carrying Value (000's)	Interest Rate
BMO Capital Markets	999	1.20%
Total Investment	**$ 999**	

4. Tangible Capital Assets

The recognition and measurement of tangible capital assets is based on their service potential. These assets will not provide resources to discharge liabilities of HQC.

	Office Furniture & Equipment	Computer Hardware & Software	Leasehold Improvements	2012 Totals	2011 Totals
			(thousands of dollars)		
Opening cost	$ 175	$ 455	$ 61	$ 691	$ 571
Additions	14	44	-	58	120
Disposals	-	-	-	-	-
Closing cost	189	499	61	749	691
Opening accumulated amortization	133	372	58	563	482
Amortization	13	53	2	68	81
Disposals	-	-	-	-	-
Closing accumulated amortization	146	425	60	631	563
Net book value of tangible capital assets	$ 43	$ 74	$ 1	$ 118	$ 128

5. Deferred Revenues

	Beginning balance	Amount received	Amount recognized	Ending balance
	(thousands of dollars)			
Accelerating Excellence	3,122	-	3,122	-
Saskatchewan Medical Association	412	-	412	-
Lean Funding	76	-	76	-
Patient - Provider Quality Improvement Initiative	2,000	-	2,000	-
Patient Family-Centred Care Initiative	666	-	666	-
Totals	$ 6,276	$ -	$ 6,276	$ -

(a) Accelerating Excellence

The Ministry of Health established a $5 million Accelerating Excellence Program (AE) in March 2008. The Ministry has entrusted HQC to manage and coordinate the AE. A signed agreement describes the responsibilities of the Ministry and HQC. The Ministry approves all projects and payments that are to be funded through the AE. The original term of this agreement was March 31, 2009 to March 31, 2012 and has now been extended to March 31, 2014.

AE is an investment in redesigning health care delivery in Saskatchewan organizations, by applying approaches and lessons learned elsewhere in the world. The money will be used to:

(a) build capacity for improvement (with leadership, middle management, front-line providers and staff, and physicians),
(b) provide protected time for people to learn and apply their knowledge and tools, and,
(c) build the infrastructure needed to measure the impact of these changes.

HQC reduced the deferred revenue by $3,121,630 (2011 - $1,431,128) and recorded the same amount as revenue. Interest earned of $32,821 was allocated to the program.

(b) Saskatchewan Medical Association

The Saskatchewan Medical Association (SMA) has provided HQC with a contribution towards the Chronic Disease Management Collaborative (CDMC). SMA has designated the contribution to partially offset the time and expenses incurred by physicians that participate in the next CDMC.

HQC reduced the deferred revenue by $412,099 (2011 - $61,333) and recorded the same amount as revenue.

(c) Lean Funding

In March 2009, HQC received $5 million from the Ministry of Health for payments to the regional health authorities as directed by the Ministry of Health. As per the Ministry's directive HQC distributed $4.924 million to the regional health authorities and the Saskatchewan Cancer Agency. The remaining balance of $75,809 was held by HQC to pay for provincial directives for Lean objectives.

HQC reduced the remaining deferred revenue by $75,809 (2011 - $109,107) and recorded the same amount as revenue.

(d) Patient - Provider Quality Improvement Initiative

In March 2011, HQC received $2 million from the Ministry of Health to support further development and deployment of the Ministry's quality improvement priorities. HQC reduced the deferred revenue by $2 million and recorded the same amount as revenue.

(e) Patient Family Centred Care Initiative

In March 2011, HQC received $666,000 from the Ministry of Health to support the adoption of patient and family centred care (PFCC) in Saskatchewan. The funding is targeted at a number of initiatives and it is expected that the total amount of this funding will be spent by March 31, 2013. HQC reduced the remaining deferred revenue by $666,000 and recorded the same amount as revenue.

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards, and commissions related to HQC by virtue of common control by the Government of Saskatchewan, and non-crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Other transactions with related parties and amounts due to or from them are described separately in these financial statements and notes thereto.

Routine operating transactions with related parties are recorded at the agreed upon rates charged by those organizations and are settled on normal trade terms.

HQC pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

	2012	2011
	(thousands of dollars)	
Revenue		
Regional Health Authorities	$ 32	$ 39
University of Saskatchewan	418	-
Other	15	8
Expenses		
Capital Pension Plan	228	217
Providence Place for Holistic Health Incorporated	-	30
Regional Health Authorities	594	278
Saskatchewan Association of Health Organizations	11	-
Saskatchewan Ministry of Finance	3	70
Saskatchewan Opportunities Corporation (operating as Innovation Place)	345	332
Saskatoon Convalescent Home	-	30
SaskTel	15	14
University of Saskatchewan	18	-
Other	22	10
Accounts Payable		
Capital Pension	45	-
Regional Health Authorities	289	-
Other	2	-
Accounts Receivable		
Regional Health Authorities	33	31
Saskatchewan Cancer Agency	11	-
University of Saskatchewan	252	-
Other	-	13

7. Financial Instruments

HQC has the following financial instruments: short-term investments, accounts receivable, accounts payable, and payroll liabilities. The following paragraphs disclose the significant aspects of these financial instruments. HQC has policies and procedures in place to mitigate the associated risk.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments that may affect the amount, timing, and certainty of future cash flows.

b) Interest rate risk

HQC is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates. HQC does not have any long-term investments that may be affected by market pressures.

HQC's receivables and payables are non-interest bearing.

c) Credit risk

HQC is exposed to credit risk from potential non-payment of accounts receivable.

Most of HQC's receivables are from provincial agencies and the federal government; therefore, the credit risk is minimal.

d) Fair value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Short-term Investments
Accounts receivable
Accounts payable
Payroll liabilities

8. Budget

These amounts represent the operating budget approved by the Board of Directors.

9. Pension Plan

HQC is a participating employer in the Capital Pension Plan, a defined contribution pension plan. Eligible employees make monthly contributions of 6.35% of gross salary, which are matched by HQC. HQC's obligation to the plan is limited to matching the employee's contribution. HQC's contributions for this fiscal year were $226,858 (2011 - $202,884).

10. Contractual Commitments

As of March 31, 2012, HQC had the following commitments:

a) Office Rent

HQC has a lease for office space with Saskatchewan Opportunities Corporation (operating as Innovation Place) at a monthly cost of $20,439. The monthly cost effective August 1, 2012 to July 31, 2013 will be $32,443.

b) 3M Canada

HQC has entered into an agreement with 3M to license risk assessment software for data analysis. The licensing agreement is effective from August 1, 2009 to July 31, 2014. The amount paid for licensing for the period of April 2011 to March 2012 was $77,578. The pricing schedule for the remaining time periods is:

Period	Licensing
April 2012 – March 2013	$ 79,905
April 2013 – July 2014	$ 106,678

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